

Message Text

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ACTION EB-08

INFO OCT-01 NEA-10 ISO-00 CEA-01 CIAE-00 COME-00
DODE-00 FRB-03 H-01 INR-10 INT-05 L-03 LAB-04
NSAE-00 NSC-05 PA-01 CTME-00 AID-05 SS-15 STR-07
ITC-01 TRSE-00 USIA-06 SP-02 SOE-02 OMB-01 DOE-11
/102 W

-----102509 031121Z /14

R 021048Z MAR 78
FM AMEMBASSY NEW DELHI
TO SECSTATE WASHDC 9890
USDA WASHDC
INFO AMCONGEN BOMBAY

C O N F I D E N T I A L NEW DELHI 3339

FROM AGATT PASS KELLY HARRISON, GSM/OGSM/USDA

BOMBAY FOR AGOFFICER

E.O. 11652: N/A
TAGS: EAGR
SUBJECT: POSSIBILITY OF COTTON IMPORTS

1. MINCOMMERCE OFFICIALS IN DISCUSSION WITH AGATT MARCH 1
AGAIN INDICATED POSSIBILITY GOI MIGHT IMPORT COTTON THIS SPRING.
ALTHOUGH SUPPLY POSITION IMPROVED OVER LAST YEAR BECAUSE PRO-
DUCTION UP, DESIRE CREATE BUFFER STOCK HAS SUPPORT. IF DECISION
POSITIVE, WOULD REQUIRE IMPORTS AND POSSIBLY STORAGE IN SUPPLYING
COUNTRY. QUANTITY NOT SPECIFIC BUT BROADLY 300,000 TO 400,000
BALES MEDIUM STAPLE DELIVERY COMMENCING MAY.

2. PRIMARY CONCERN OF INDIAN PARTICIPANTS IN DISCUSSION IS
NEGOTIATION OF FAVORABLE PRICE (FOR INDIA) AND U.S. GOVERNMENT
GUARANTEE OF QUALITY. THERE WERE QUALITY COMPLAINTS AGAINST SOME
U.S. COTTON IMPORTED HERE LAST YEAR.

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3. THEY ARE NOT INTERESTED IN CCC EXPORT CREDIT BECAUSE PRE-
FER USE FOREIGN EXCHANGE WHICH AT RECORD LEVEL. HOWEVER,
WOULD LIKE COMBINATION PACKAGE DEAL INVOLVING COMMERCIAL AND
P.L. 480, TITLE I WHICH WOULD DILUTE TOTAL PURCHASE COST. IF
TITLE I OUT OF QUESTION IN FY78, THEY SEEKING ANY OTHER ALTER-
NATIVE BY WHICH COULD PURCHASE COMMERCIAL AT LOWEST PRICE.
IF TITLE I IS POSSIBILITY, WE WOULD NEED CLARIFICATION OF

RESTRAINTS OR CONDITIONS WHICH MIGHT APPLY AGAINST COTTON TEXTILE EXPORTS IN ADDITION TO UMR.

4. INDIANS SAID THEY WILL BE LOOKING AT OFFERS FROM ALL PROBABLE SOURCES WHICH COULD INCLUDE SENDING PURCHASE TEAM TO U.S. IF WE ARE COMPETITIVE. ON A STRAIGHT COMMERCIAL TRANSACTION U.S. HAS FREIGHT DISADVANTAGE RELATIVE SOME SUPPLIERS. THEREFORE, HOPEFULLY WE COULD COME UP WITH LEAST COST MARKETING CHANNEL WHICH INDIA WOULD FIND ATTRACTIVE.

5. WOULD APPRECIATE RELY DURING WEEK OF MARCH 6. INCLUDE INFORMATION ON RATES, TERMS, AND CONDITIONS FOR COTTON STORAGE UNDER PROVISIONS EXPORT ADMINISTRATION ACT.

6. SENSITIVITY OF COTTON PRICES AND INDIAN COTTON PRODUCERS TO SUBJECT THIS MESSAGE VERY REAL. INDIANS HAVE REQUESTED NO PUBLICITY BE GIVEN.
GOHEEN

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COTTON, IMPORTS
Control Number: n/a
Copy: SINGLE
Draft Date: 02 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978NEWDE03339
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: DG ALTERED
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780097-0717
Format: TEL
From: NEW DELHI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t197803115/aaaadtgw.tel
Line Count: 80
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 51ddb9-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 12 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3141452
Secure: OPEN
Status: NATIVE
Subject: POSSIBILITY OF COTTON IMPORTS
TAGS: EAGR
To: STATE AGR
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/51ddb9-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014